

# U.S. Releases Text Of 'Bugs' on Baker



By Harry Naltchayan, Staff Photographer  
Bobby Baker leaves court after hearing FBI revelations.

## Says Recordings By FBI Don't Affect Tax Case

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The Justice Department made extraordinary revelations in Federal Court yesterday on the origins and nature of its fraud and income tax case against Robert G. (Bobby) Baker, former secretary to the Senate Majority.

In the process, the Department made public a 34-page transcript of Baker conversations which had been secretly monitored by the FBI but which government lawyers insisted was unrelated to Baker's indictment.

The FBI's eavesdropping, the transcript revealed, included private conversations between Baker and such diverse figures as a Las Vegas gambler and a White House aide, Mike Manatos.

### Informants Named

But none of these recordings, Justice Department attorney William O. Bittman told the court, had any connection with the Baker indictment or with any evidence that will be offered against him.

Bittman identified Wayne L. Bromley, a Baker friend and a former lobbyist for the National Coal Policy Conference, as one of the key government informants. An anonymous letter to the Internal Revenue Service on August 30, 1963, and a tip from John Nicoll, an attorney in the office of the Comptroller of the Treasury, also figured in the indictment, according to affidavits Bittman submitted to the Court.

In naming his informants Bittman attempted to answer the allegation of Baker's attorney, Edward Bennett Williams, that the indictment was "tainted" by the "criminal behavior" of the FBI's eavesdropping crews.

### Judge Must Decide

The two lawyers argued the point before Federal District Judge Oliver Gasch, who must decide whether the Baker indictment is defective as a result of the FBI's actions.

Before the day was over, Baker himself—redfaced and tense—had taken the stand to testify about his extensive use of a Sheraton-Carlton Hotel suite which Bittman admitted had been electronically "bugged" by the FBI from February to April, 1963. The suite—rooms 438 and 440—was rented by Fred B. Black Jr., a Washington business consultant.

During that period, Bittman told the court, J. Edgar Hoover's agents eavesdropped on 11 conversations in which Baker participated.

He also admitted that the FBI had bugged Baker conversations from monitoring

See BAKER, A22, Col. 1



posts in Miami and Las Vegas. The FBI used electronic equipment secretly installed in the offices of Benjamin Sigelbaum, a Miami financier, and Edward Levinson, owner of the Fremont Hotel and Gambling Casino in Las Vegas.

Sigelbaum, Black and Levinson, according to Bittman, were placed under surveillance by the FBI in connection with an investigation of "organized crime." All three are former business associates of Baker.

#### Held An Accident

It was purely an accident, Bittman said, that Baker became a subject of this eavesdropping operation.

But Bittman implied that there are other recordings in the Government's possession of conversations between Baker and an unidentified party who consented to cooperate with government monitors.

He said Williams and Baker were not entitled to see these transcripts because they may be used as evidence when and if Baker goes to trial.

Williams disagreed and Judge Gasch withheld a ruling. The proceeding resumes at 10 a.m. today.

The 34-page transcript supplied to the Court was a complete record of all Baker conversations monitored by the FBI, according to an affidavit submitted by FBI Director J. Edgar Hoover.

#### Hoover Statement

"Baker's conversations," said Hoover, "were never covered by electronic surveillance by the FBI at any other time or place."

The first recording of Baker made by the FBI monitors was of a conversation with Levinson. It was picked up Nov. 1, 1962, by an electronic bug installed by the FBI in Levinson's office phone at the Fremont Casino.

"How are you, Bobbie?" the transcript reads. "... You're coming in on TWA. Okay. Yeah, I know Benny is there. Right now I'll put you into the Sands (Hotel). I'll get a hold of Cliff—I'll call him right now. Well, Charlie won't be there—his wife is being operated on... You're going to

stay through Sunday? Okay, Buddy."

Between that date and March 31, 1963, three more Levinson-Baker conversations were recorded. Two of them involved a Las Vegas architectural firm—Zick & Sharp—which was attempting to obtain a contract for the design of the new Federal Building in Las Vegas.

Only Levinson's end of the conversation was recorded and in it he strongly implied that Zick & Sharp had agreed to make political contributions in exchange for Government business."

#### "Inauguration" Mentioned

Levinson mentioned an "inauguration" at which the admission price was \$1000 a plate and subsequently said:

"In regard to the architects here, he said it's O.K. Zick and Sharp... 1806 South Main Street, Las Vegas... He told me they wrote in to the general office of the GAO, I don't know what they call it. GSA. In regards to the one here in Las Vegas. I said, well if you deliver on this one, I'm sure they can help you on this other one. I said, all you have to do is (pause) I says, he committed himself to buy the 8 tickets. I said, on your next job, I don't know what they will want."

(Walter Zick, a partner in the Las Vegas firm, said the implications in the transcript were untrue and represented a "low blow." Zick said he got the architectural contract for the \$4.3 million Federal Building going up there now but had made no political contributions to anyone and had not even discussed the matter with Levinson.

(Zick said his firm is also the architect for an addition to Levinson's Fremont Hotel which is presently under construction.)

Levinson and Baker, according to the FBI transcript, also discussed a pending trip to the Dominican Republic, presumably for the inauguration of President Juan Bosch in the spring of 1963. The then Vice President Lyndon Johnson was the official U.S. Government representative.

"The inauguration is when?"

Levinson said. "Well I've never been to the Dominican Republic. I'd be glad to go. Well all I'm interested in is my brother ("Sleep-Out" Louie Levinson). Well he could be the bag man for them. You know he knows the business."

The FBI bugging of the Black suite at the Sheraton-Carlton commenced on February 7, 1963, and the first Baker conversation picked up there, according to the transcript, involved Mike Manatos, who was then one of Lawrence O'Brien's assistants at the White House.

The agent monitoring the Black bugging noted in his log that an "unknown male used the dial telephone... and said he was Bobby Baker." The call was to Manatos—presumably at the White House—and the conversation concerned committee assignments in Congress as well as prospects for the Administration's 1963 tax bill: "Baker said he tried to get a committee out of (Sen. Everett M. Dirksen... but they were not able to agree."

Two days later—on Feb. 11, 1963—the FBI recorded a conversation between Baker and Black which took place in the suite. Black mentioned a number of political figures. He told Baker he had been informed then-Attorney General Robert Kennedy and his former deputy Nicholas deB. Katzenbach had decided to prosecute Black on an income tax charge to "make this the Billie Sol Estes case of the year."

Black professed his innocence and told Baker, according to the transcript:

"I want you to back away from my problems. If anything happens to me and I have to go to the wrong place, I want somebody taking over to make a living for my family while

I'm gone. You just pull away and don't concern yourself anymore with it. I'll fight it out... I got to be vindicated. While I'm not too (obscene) good to steal money from the Government in taxes, I just didn't. I'm sorry I didn't. I didn't do it and I'm sorry now I didn't do it. I just got a bad break when your boy (Sen. Robert Kerr died, that's all."

#### Business Discussed

Their discussion on this occasion ranged over many matters including a scheme to invest in a medical building with a fallout shelter. Baker told Black that Congress was interested in fallout shelters.

Baker later placed a call to Dean McGee of the Kerr-McGee Oil Co. in Oklahoma City, to talk about politics and business.

"Well, Lyndon told me the other day," Baker is quoted in the transcript, "that (Rep.) Carl Albert told him they did not think Bob (Kerr) Jr. could win that seat."

"They want you (McGee) to





BLACK

LEVINSON

SIGELBAUM

Photos by The Washington Post and AP

... all "bugged" by FBI

take it. I told them that was out."

The monitoring agent summarized the rest of the conversation:

"(Baker) tells McGee (Rep.) Albert wants to get General Dynamics to build a plant in Oklahoma. Carl says he's got to have something in his district to survive politically. D. (Sen. Richard) Russell made a deal to (Sen. J. Howard) Edmondson on (the Senate) Space Committee. Clint (Sen. Clinton) Anderson isn't go to do anything for Oklahoma anyway."

**Expresses 'Concern'**

Black then got on the phone to McGee and is quoted:

"Two things, first of all, since the old man (Sen. Robert Kerr) died, this fellow (NASA Director James) Webb has gotten weaker and weaker where state of Oklahoma is concerned. . . He's just not doing anything for us. I'm getting concerned about a few things in Oklahoma City itself. NASA is not helping us. When the Sen-

ator was alive, he'd be helping."

At the end of this call, Baker is quoted as telling Black that Earle Clements, former Kentucky Senator, made a "deal" to settle his tax problems with the Federal Government and "the FBI and Internal Revenue couldn't do a thing."

The conversation ended with a perceptive speculation by Black:

"I wonder if they got the lines tapped."

Both Baker and Black appeared in court yesterday to support attorney Williams' argument that not all the Baker conversations recorded by the FBI have been made available.

The two men testified that Baker used the Black suite almost daily. Baker said he might have made as many as 500 telephone calls from the suite in the period the FBI bug was in operation — from February to April, 1963. But only 11 calls were in the FBI transevat.

Baker also said he had numerous conversations in the suite with Wayne Bromley, whose testimony was crucial to Baker's indictment for evading \$23,090 in Federal income taxes and obtaining \$100,000 by fraud.

Bromley described in detail, said prosecutor Bitman, a scheme under which a number of corporations — including United States Freight, and First Western Financial — made clandestine payments to Baker. The checks, said Bitman, were made out to Bromley, who gave the money to Baker. Bromley reported the money on his own income tax

return and paid the taxes due, said Bitman.

"As a result of the information furnished to be by Bromley (on Feb. 15, 1965)," said Bitman, "and his testimony before the grand jury, together with other evidence which the grand jury inquiry developed, it was recommended that Baker be indicted. . ."

Baker told the court yesterday he had often met with Bromley in Black's suite to discuss "business matters" which may have been related to the indictment.

**Williams' Objection**

When Bitman pressed him to elaborate, Baker's lawyer, Williams, objected on grounds that Bitman was going beyond the question of whether the FBI's bugging had been a factor in the indictment.

At that point, Judge Gasch recessed the hearing until today.

Yesterday's proceedings were noteworthy in several respects. They produced new confirmation of the extensive electronic eavesdropping ordered by J. Edgar Hoover in the early 1960s as part of the FBI's investigation of "organized crime." They identified the tipsters whose leads and testimony were involved in Baker's indictment. And they raised anew the constitutional questions involved in electronic surveillance by Government agencies.

**Other Bugs Confirmed**

While insisting that Baker's conversations had been bugged in only three locations, the Government confirmed the existence of at least five other

listening devices used by the FBI in Las Vegas.

They were identified only by file numbers—92-826, 92-703, 92-461, 92-704, and 92-706. Those files, a Justice Department affidavit said, contain "no record of any conversation in which the defendant, Robert G. Baker, was a participant or at which he was present."

The 34 pages of transcripts, said FBI Director Hoover in another document, are the "only logs containing conversations in which the defendant participated or at which he was present."